

**Suggested Remarks**  
**Steven Edminster, USAID/OEDG**  
**Transparent and Accountable Governance**  
**Project Thematic Sharing and**  
**Assessment Conference**  
**Waterfront Insular Hotel, Davao City**  
**January 23, 2007, 6:00 p.m.**

Distinguished Guests;

Colleagues, Friends, Ladies and Gentlemen,

Good evening.

I am delighted to have the opportunity to join you for this conference that brings together partners from across Mindanao working on various issues of local governance under the Transparent and Accountable Governance (TAG) project. This event aims to provide the opportunity for you to share with one another best practices and lessons learned, assess what has worked

well and what hasn't, and formulate recommendations on future directions for improving local governance.

The U.S. Government's support for local governance in the Philippines is part of a broader effort through the U.S. Agency for International Development (USAID) to assist partners working to strengthen democratic institutions and practices around the world. U.S. Government-funded democracy and governance programs worldwide focus on the key sectors that contribute to democratic development - from building the capacity of civil society, strengthening the rule of law, supporting electoral reform and more transparent and representative political

parties, and last, but certainly not least, improving governance at both the national and local levels.

In the Philippines, we believe that U.S. Government support in the areas of democracy and governance, along with our work in economic policy reform, conflict reduction, health, environment and education are all contributing towards development in the country, particularly in Mindanao where a majority of our resources are focused.

While there are many pressing issues in all of these sectors, local governance here in Mindanao has a special significance. Since cities are the engines of most

countries' economic growth, the TAG Project's work in 16 cities here in Mindanao has been particularly important. With TAG's help, these city governments have reduced the cost of doing business by enhancing the responsiveness of city governments to business. When taken together with other important factors like the dynamism of the local economy, and the existence of sufficient infrastructure and human resources, these reforms send a very positive message to potential investors.

Ultimately, as TAG cities become more competitive and attract more business activity, the poor gain faster and greater access to the benefits of economic growth,

and city governments can better address the needs of their residents.

I have also been very impressed with your collective approach to improving city governance under the TAG project.

Representatives of the business community, non-governmental organizations and city governments all have been included in the dialogue on how to improve government services to make them more friendly to both business and the average person. We firmly believe that this open and collaborative approach is not only important in its own right, but also results in better, more practical solutions for real problems.

TAG has also made great strides in its work with local governments in the ARMM and other conflict-affected areas, particularly in support of participatory planning and budgeting at the barangay level. Since 2001, the TAG Project has provided a venue for citizens in more than 700 barangays in some 60 municipalities to participate in village-level planning activities resulting in the drafting and implementation of development plans.

These sessions in many cases have had some very positive results. Citizens and NGOs participating in these planning exercises often learned for the first time what the internal revenue allotment of their

barangay and municipality was. Also, in many cases for the first time, they had a voice in setting their community's priorities. For some barangays coming up with a budget plan, at all, has also often been a first. And finally, citizens and NGOs have the information to have a basis to judge their leaders' performance. The Asia Foundation reports that 75% of the resulting priorities identified through TAG participatory planning and budgeting exercises have been funded and implemented by barangay and municipal governments.

In all of these successes, I also want to highlight the role of our local resource partners, which provide technical assistance

and training. It is heartening to see this extensive and rich brain trust on local governance issues, some started in the 1990s with help from an earlier USAID effort, the Governance and Local Democracy Project, also known as the GOLD Project, playing such a positive role in support of improving local governance.

And finally, I am looking forward to meeting with you and hearing your views over the next day on both the innovations and challenges to local governance here in Mindanao. We at USAID hope that you find this event a useful opportunity to network and learn from each other. Having worked on the TAG project for more than three years



now, I have been very impressed with what I have seen. Still, I feel confident that a great deal more is achievable and that the best days of TAG and local governance in Mindanao lie not too far ahead.

Thank you and good evening.